

QUARTERLY REPORT TO THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE

ON

MENTAL HEALTH, DEVELOPMENTAL DISABILITIES AND SUBSTANCE ABUSE SERVICES

SESSION LAW 2001-437

April 1, 2006 through June 30, 2006

This quarterly report is submitted to the Legislative Oversight Committee in Mental Health, Developmental disabilities and Substance Abuse Services (LOC), pursuant to the requirements of Session Law 2001-437. This report is for the months of April 1, 2006 through June 30, 2006 and provides information on major developments as the Division implements reform.

Section I: Major developments for this quarter include:

- **Client Data Warehouse (CDW) Changes** – In response to the changing data requirements under Mental Health Reform, the Division reviewed all existing data reporting requirements and developed a new set of reporting requirements. The changes will include: 1) a more comprehensive set of information on clients who are screened and deemed to have a MH/DD/SAS problem, and 2) the implementation of a uniform method for closing records for clients who are not receiving services.
- **Utilization Review** - On April 6, 2006 DHHS announced that effective June 1, 2006, ValueOptions (VO) would provide utilization review for all NC Medicaid covered mental health, developmental disabilities and substance abuse services.
- **Development of 3 Regions for Developmental Centers** - The Commission for MHDDAS gave a preliminary approval to a proposed rule change to configure the State's regions for institutional services from four regions to three regions.
- **Peer Support Credentialing Process** - The Division announced the initiation of the Peer Support Specialist Credentialing process for the Assertive Community Treatment Team (ACTT) service.

1. Communication Bulletins # 054, 055, 056 and 057

- Communication Bulletin #054 announced the collaboration between the Division, LMEs and the provider community to develop a standardized contract for state-funded services, a standardized guide for provider billing requirements and a standardized Excel spreadsheet billing format.
- Communication Bulletin #055 announced an update on the new Phases of Provider Endorsement and Policy Amendment for Conditional Endorsement.

- Communication Bulletin #056 announced the 45-day comment period for the documents that will be used for LME Complaint Reporting system as required under 10A NCAC 27G.0609.
- Communication Bulletin #057 announced the modified timing of the State Plan. The legislation modified the issuance of the State Plan, calling for the Plan to be issued every three years, beginning July 1, 2006.

In addition to the Communication Bulletin Series, the Division released several Enhanced Services Implementation Updates to assist providers and consumers with the transition process. Two updates were released, covering the following topics:

- **Person Centered Plan** – Person-Centered Planning is a fundamental part of implementing North Carolina’s new service array for people receiving mental health, developmental disabilities and substance abuse services. The Division developed a standardized format for the Person-Centered Plan (PCP) and Person-Centered Planning instructions for all providers who will be facilitating Person-Centered Plan development for consumers.
- **Billing for Medicaid Services** – An update was released to address billing for Medicaid services for which direct enrollment with DMA is not yet possible.

2. Systems Development

There are a limited number of services for which providers cannot enroll to directly bill Medicaid. In order to ensure the continued availability of these services to consumers, the Division directed the LMEs to continue to process the billing on behalf of the providers for this limited number of services.

3. Merger of Local Management Entities

There were no local management entity consolidations during this quarter.

4. Services and Programs

- **Service Definitions:** No significant changes in service definitions this quarter.
- **Division Training:** The Division did not directly sponsor any training activities during the quarter. The Commission for MH/DD/SAS initiated a taskforce to assist in the development of a strategic plan for workforce development. It is clear from the outset that substantial funding earmarked for workforce training is needed. The Advisory Committee asks the LOC to identify funds specifically designated for workforce training in the current legislative session.
- **Waivers:** There were no waiver developments this quarter.

5. Financing

Mental Health Trust Fund:

As of June 30, 2006, \$50,198,845 from the Mental Health Trust fund has been used to assist in mental health reform and community expansion. Also this quarter, the LMEs were invited to submit one or more recommendations of private not-for-profit providers to receive one-time non UCR Mental Health Trust Fund (MHTF) dollars that have been received by the division to assist providers to build additional community capacity and maintain financial stability.

6. Public Outreach to Discuss System Reform

A Town Hall Meeting was held this quarter in Elizabeth City, NC. The purpose of the meeting was to share information and listen to concerns about system transformation.

The Division continues to post on its website Questions and Answers regarding the New and Modified Service Definitions.

7. Rule Changes

At the May 18, 2006 meeting, the Commission for MH/DD/SAS approved the following:

- the amendment of 10A NCAC 27G .0813 Waiver of Licensure Rules to be published for public comment.
- the repeal of 10A NCAC 28I .0401 Firearms Rules and approved Firearms Rule 10A NCAC 28I .0402 for publication.
- the repeal of 10A NCAC 10A NCAC 29A: Services for Eligible Assaultive and Violent Children and Adolescents (Willie M.), 10A NCAC 29B: Thomas S. Services, and 10A NCAC 29D .0100: Carolina Alternatives Rules.
- the repeal of 10A NCAC 29D.0200 Single Portal of Entry and Exit Designation and 10A NCAC 29D.0300 Designation of Area Mental Health, Mental Retardation and Substance Abuse Authorities Catchment Areas Rules.

8. Developing Community Capacity

The Division submitted the following two reports to the House and Senate Appropriations Subcommittees, and the Fiscal Research Division.:

- **Comprehensive Treatment Services Program (CTSP)** - The report summarized the progress achieved in implementation of the CTSP pursuant to Section 10.25 (a) and (m) of Session Law 2005-276, House Bill 397.
- **The Future Role and Capacity of Developmental Centers** – The report summarized the progress achieved in the downsizing of developmental centers.